

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 2478**

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### Introduced by Assembly Member Stone

February 21, 2014

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An act to amend Section 10200 of the Insurance Code, relating to insurance water.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2478, as amended, Stone. ~~Life insurers—San Lorenzo River.~~

*Existing law provides for state cooperation with the federal government in the construction of specified flood control projects. Existing law authorizes the project for flood control on the San Lorenzo River, in accordance with a prescribed final report, and as authorized by a prescribed federal act, at an estimated cost to the state of the sum that may be appropriated for state cooperation by statute, upon the recommendation and advice of the Department of Water Resources. Existing law requires the City of Santa Cruz to carry out the project. Existing law makes state funding contingent on the provision of funds for the project in either the annual Budget Act or a general obligation bond act.*

*This bill would authorize state funding, available upon appropriation by the Legislature, to be used within the authorized project boundaries for environmental studies, engineering plans, and construction activities to mitigate the impacts of summer low-flow water conditions in the rivermouth of the San Lorenzo River.*

~~Existing law authorizes a life insurer to issue life, disability, term, and endowment insurance on the group plan, with or without annuities, and with premium rates less than the usual rates for the insurance.~~

~~Existing law authorizes insurance under a franchise agreement or upon a wholesale basis to be written under rates more or less than the usual rates for the insurance.~~

~~This bill would make technical, nonsubstantive changes to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 12706.3 of the Water Code is amended*  
2     *to read:*

3     12706.3. (a) The project for flood control on the San Lorenzo  
4     River is adopted and authorized substantially in accordance with  
5     congressional approval and the final report of the Chief of  
6     Engineers dated June 30, 1994, as authorized by Section 101 (a)  
7     (5) of the Water Resources Development Act of 1996 (P.L.  
8     104-303), as amended, at an estimated cost to the state of the sum  
9     that may be appropriated for state cooperation by statute, upon the  
10    recommendation and advice of the department.

11    (b) The City of Santa Cruz shall give assurances satisfactory to  
12    the Secretary of the Army that the local cooperation required by  
13    that final report will be furnished by the city in connection with  
14    the project for flood control.

15    (c) (1) The City of Santa Cruz, in conjunction with the  
16    Department of the Army, shall carry out the project referred to in  
17    subdivision (a) and may make modifications and amendments to  
18    the plans as may be necessary to carry out the plans for the  
19    purposes of Chapter 1 (commencing with Section 12750) and this  
20    chapter.

21    (2) Notwithstanding Section 12639, if there are any major  
22    modifications or amendments to the plans that result in a substantial  
23    increase in the costs to the state for any estimated cost for the  
24    project, no money shall be reallocated by the state in aid of that  
25    portion of the project until the revised plans have been reviewed  
26    and approved by the department. The department shall approve  
27    the revised plans if the department determines that the benefits of  
28    the proposed works of improvement for the revised project will  
29    exceed the cost thereof and that the revised project appears to be  
30    the most economical project plan, considering construction costs,

1 land costs, easements and rights-of-way costs, and operation and  
2 maintenance costs.

3 (d) State funding for the project is contingent on the provision  
4 of funds for that purpose in either the annual Budget Act or a  
5 general obligation bond act. Reimbursement of the state share of  
6 the nonfederal costs of the project shall be for those project costs  
7 incurred on or after October 12, 1996, the date on which the project  
8 was authorized by Congress, as set forth in Section 101(a)(5) of  
9 the Water Resources Development Act of 1996 (P.L. 104-303).

10 (e) *State funding, available upon appropriation by the*  
11 *Legislature, may be used within the authorized project boundaries*  
12 *as set forth in the final report of the Chief of Engineers dated June*  
13 *30, 1994, as authorized by Section 101(a)(5) of the Water*  
14 *Resources Development Act of 1996 (P.L. 104-303), as amended,*  
15 *for environmental studies, engineering plans, and construction*  
16 *activities to mitigate the impacts of summer low-flow water*  
17 *conditions in the rivermouth of the San Lorenzo River.*

18 ~~SECTION 1. Section 10200 of the Insurance Code is amended~~  
19 ~~to read:~~

20 ~~10200. Any life insurer may issue life, disability, term, and~~  
21 ~~endowment insurance on the group plan, with or without annuities,~~  
22 ~~and with premium rates less than the usual rates for the insurance.~~  
23 ~~The insurance under a franchise agreement or upon a wholesale~~  
24 ~~basis may be written under rates more or less than the usual rates~~  
25 ~~for the insurance.~~